

**ADDRESS BY GOH, MR SHERMAN KWEK  
SMU COMMENCEMENT CEREMONY, 30 JULY 2024**

Mr Lim Chee Onn, Chancellor of Singapore Management University

Mr Eddie Teo, Pro-Chancellor

Mr Piyush Gupta, Chairman of the Board of Trustees, and all Trustees

Professor Lily Kong, President

Mr Ho Kwon Ping, founding Chairman and Honorary Degree Recipient

Faculty and distinguished guests,

Parents and graduands,

A very good afternoon and I am very pleased to be here to join everyone for such a joyous occasion. It is my first time attending a Commencement Ceremony that isn't my own and furthermore giving a speech, hence I'm extremely honoured to be here. SMU is renowned for producing some of the finest graduates and in fact we have many working at my company City Developments Limited (or CDL as we are affectionately known) so I can attest to the quality of the education and preparation that you have all received here.

When SMU first contacted me about giving the address at Commencement 2024, they suggested a variety of topics that I could speak about, with an emphasis on sustainability since CDL happens to be a leading company in this space. While climate change is indeed worrying and we must accelerate action to save our planet, I figured you have plenty of time to read up on all this good stuff and therefore I decided that perhaps what would be more helpful is for me to share some advice and pointers from my own journey spanning more than 2 decades in the business world.

As I was typing up my speech yesterday, I tried to focus on a few impactful points that I would like to get across. Considering I have time constraints, I obviously can't cover everything. Needless to say, I won't go over some of the basic things in life that all of you already know, such as the importance of staying healthy because this affects how long and how far your journey goes. So please exercise and eat well!

Instead, I'll focus on 3 things that I feel would be important to keep in mind for individuals starting out in their career.

## **1) Resilience**

The first thing I want to share is about Resilience. We have all heard this term used plenty of times over the past few years, notably during the Covid pandemic when we had to rough it out through unprecedented times, but I firmly believe there is nothing more important than embodying this trait, be it in your personal or professional lives.

Back then, CDL's business was deeply impacted by the pandemic, across our residential, office, retail and hospitality portfolio. It was a very challenging time, resolving problems and putting out fires while living under the shadow of Covid which majorly disrupted our operations and severely tested our mental resolve as we grappled with a "New Normal". We were confronted with challenges that we had not faced before. On top of all that, as some of you would have read in the news, CDL also had to deal with the ugly fallout from a sizable investment in China. Why did things go wrong?

In 2020, after 10 years of gradual expansion in China, I felt we were growing too slowly and wanted to accelerate things there. After all, China

is a big market with vast potential and has a population of over 1.4 billion people, close to 20% of the world's population, so it's a market that we simply cannot ignore. By acquiring a 51% stake in a Top 100 Chinese developer called Sincere, I felt that in the stroke of a pen, it would fast track our efforts and strongly establish us as a leading developer in China. From being in 3 cities in China and having 150 employees, the Sincere investment would propel CDL into 20 cities and give us a strong team of over 2,000 staff on the ground. We would also take control of a landbank that could yield close to 100 million square feet of buildable area. Unfortunately, I underestimated the severity of the pandemic and how long it would last. I thought it would be over within a year and wouldn't be that serious but it ended up dragging on for several years with many waves and numerous variants. I also didn't anticipate the Chinese government cracking down on the real estate sector with their Three Red Lines policy, which effectively curbed the amount of debt that PRC developers can take on. This ended up putting far too much pressure on Sincere, with Sincere eventually entering bankruptcy restructuring in 2021. CDL reported a huge loss of S\$1.9 billion in 2020, much of that attributed to the write off of our investment in Sincere and marking the first ever loss in the history of our company.

As you can all imagine, I was under so much pressure and felt my world was collapsing around me. There were calls for me to resign both internally and externally, and the CDL Board even commissioned an inquiry into my handling of the due diligence and investment process for the Sincere investment. I wanted to hide my face in the sand and run away from all the unpleasantness. I even typed up my resignation letter and was very close to throwing it in several times. I was completely buried in despair. After all, in 2018 when I took over as CEO, the market cheered

my appointment and many felt it would usher in a new era of dynamism and innovation within CDL. And I believe I had executed well on all the initiatives I had come up with. Suddenly, when the Sincere investment exploded, I went from hero to zero overnight. Most people wanted to throw me under a bus and I felt I was public enemy #1. I really had to reach within myself to find the strength to push on every single day.

Now, in hindsight, while it was a particularly painful period which saw me emerging with many bruises, I've also come away with many valuable lessons. Above all else, I recognized the importance of being resilient and not giving up, no matter how bad things are. Honestly, it's easier to just throw in the towel and give up, let someone else clean up the mess, but much harder to push on and shoulder the responsibility and consequences of my actions. Even now, I still get investors occasionally bringing up the Sincere episode and giving me grief about it, but I accept it as a consequence for what has transpired and as long as I am still at the helm of CDL, I can only strive to do better and not allow such things to happen under my watch again.

I would like to share a meaningful quote. Many of you are probably too young to know much about the Rocky movies that were made in the 70's and 80's. Those are movies where Sylvester Stallone stars as a boxer with grit called Rocky Balboa. One quote that Rocky made is particularly relevant where he said – *“The world ain't all sunshine and rainbows. It's a very mean and nasty place, and I don't care how tough you are, it will beat you to your knees and keep you there permanently if you let it. You, me or nobody is gonna hit as hard as life. But it ain't about how hard you hit, it's about how hard you can get hit and keep moving forward. How much you can take and keep moving forward. That's how winning is done!”*

And he's right. Nothing will ever hit you as hard as life. Be it illnesses, disappointments or setbacks, life can throw you many curved balls. But if you get knocked down, get back up and fight on. Don't give up. And that's the amazing thing about the human spirit. Just when you think you can't deal with the pain and the stress, when you feel that the odds are too great to overcome, if you reach deep within, you will find the courage and determination to push on.

In fact, right after Rocky says, *"that's how winning is done"*, there is another verse that is also very meaningful. He said, *"Now if you know what you're worth, then go out and get what you're worth, but you gotta be willing to take the hits, and not pointing fingers saying you ain't where you wanna be because of him, or her, or anybody."* And again, he's right. We have to take ownership for our life and for our decisions and we shouldn't blame others. Rather than making excuses for our failures and setbacks, we should find a way to come back stronger, tougher and better.

By the way, when many of you eventually get into senior positions, I strongly advise you never to go online and search about what people say. During the Sincere saga, I would search online and end up in these forums where people said the meanest things about me. Some called me a “败家子”, meaning someone who squanders and wrecks his family wealth. Some even called me “fat”! But after a while, I realized that reading these forums only caused me to feel low self-esteem and negativity. The worst thing about these online forums is that anyone can say anything that they want, because there is no accountability and all these netizens are shrouded in a veil of anonymity. In fact, we have seen so much fake news emerging online that our government even had to pass the POFMA act against it. So whatever you do, please don't go reading about yourself

online. Focus on the task at hand, block out all the noise and criticism, and muster up the courage to fight on. While I've been through many challenges and baptisms of fire in my career, the Sincere saga was absolutely the darkest and most painful one. But it taught me the importance of being resilient and mentally strong.

## **2) Gut Instinct**

The second thing I want to share is about gut instinct. We've all heard stories about outstanding business people having innate gut instinct and how they can just size up a situation and know exactly what to do. Well, I personally feel that gut instinct, or as some would call it gut feel, is overrated. Early on in my career, I relied on my gut feel to make certain decisions. Most of the time, I would make the right call and it would embolden me. I started to feel that, "Yeah, I have the same gut instinct that all these legendary entrepreneurs have. I'm good!" But the truth is, I got lucky. Back then in the early days when there wasn't the internet, information wasn't readily available. Therefore, the early generation of entrepreneurs had to rely on some measure of gut instinct. But now, with the availability of information and the transparency of the market, there is no need to overly tap on your gut feel. Make use of the information available to make informed decisions and try to leave as little to chance as possible. You may still have to make a call after doing all the analysis but at least you've maximized your chances of making the right decision.

Having said that, I have to also caution you not to get plagued by "Analysis Paralysis", where overanalyzing or overthinking a situation can cause decision-making to become "paralyzed", meaning that no solution or course of action is decided upon within a natural or required time frame.

Over the past few decades, I've seen instances where my competitors have beaten me to the trophy because we were too obsessed with analysing reams of data. Of course, when I got better at evaluating things, I've also beaten many competitors by making quicker and better decisions. Speed is critical in business and you will all need to find a balance between speed and accuracy.

### **3) Family planning**

The third and last thing I want to share today is the importance of family planning. I only got married at the age of 43 and my daughter was born when I was 45. I had the misconception that if I get married too early or have kids too early, my career would have to take a back seat and I would not be as effective and would not fulfill my potential. However, reality couldn't be further from the truth. In fact, the earlier you get married and do your family planning, the less stress you will have because you are still in the early stages of your career. This will leave you with more time to focus on bigger things down the road. Also, if you intend to have kids, you don't want to be too old by the time your kids grow up. When my daughter is 20, I will be 65! Totally not ideal at all and even now I can barely keep up with her because she has so much energy!

And while I'm on this topic, perhaps I should also add that the most important decision any of you will ever make in your lives has nothing to do with money or career but rather who you marry. Even the legendary Warren Buffett has echoed this sentiment. He said, *"Marry the right person. I'm serious about that. It will make more difference in your life. It will*

*change your aspirations, all kinds of things.”* So to all of you, please choose wisely but don't delay the decision for too long!

In closing, I wish to thank SMU for giving me the privilege of being the Guest of Honour today and allowing me to share some of my life experiences with you. Congratulations to all the graduands present and I wish you a remarkable and fulfilling journey ahead!

Thank you!